

BEFORE THE LOCAL BOUNDARY COMMISSION
ALASKA DEPARTMENT OF COMMUNITY AND
REGIONAL AFFAIRS

IN THE MATTER OF THE PETITION
FOR CONSOLIDATION OF
THE CITY OF HAINES AND THE
HAINES BOROUGH

**PETIONER'S REPLY BRIEF TO THE
BRIEF OF THE HAINES BOROUGH
AND COMMENTS IN OPPOSITION TO
THE PROPOSED CONSOLIDATION**

Response to the Brief of the Haines Borough in Opposition to the Proposed Consolidation filed on February 27, 2001

The Petitioners will reply to the several issues raised by the Haines Borough's Assessor/Land Manager. We assume it is the official position of the Borough, though it lacks support of Assembly resolution or the signature of any elected official.

It is curious however, that the Haines Borough would ask the Local Boundary Commission to "either deny the petition or approve the petition as submitted" with no amendments. There has been an obvious neglect of representation by the Borough Assembly for the citizens living outside the City of Haines in this process. While the City of Haines has repeatedly asked for the Borough to participate in this endeavor, their absence from the process has potentially excluded valid points of view from consideration. The City Council did take public comment from individual citizens who reside outside the City of Haines but recognizes that some points may have not been fully represented due to the Borough's neglect towards their constituents.

The City made as few changes as possible to the joint Borough and City Consolidation Charter presented to the Commission in 1998. The City welcomes the oversight of the Local Boundary Commission and any input they would recommend.

The Haines Borough

It is inaccurate to imply that the Borough has only 5 full-time employees. The Borough has on its payroll 50 full-time and 46 part-time employees that are employed in its many facilities. While it has zero debt, it has been challenged by a cash flow deficit for many years. Each year the Borough gets more creative as it tries to meet the ever-growing demand of services the community desires. Often these revenue sources come at the expense of the City, as in the case of the unprecedented tour tax and the new bed tax. The City and community at large are also short-changed by the Borough's use of timber-relief funds and other federal revenue intended for economic development, diversification and community growth. Too often these funds are being used to meet the Borough's cash flow deficits for general obligations.

The City of Haines

The City's 2001 budget is projected to be \$3.8 million. The City's assets are estimated at over \$28 million. The City operates with a budget less than that of the Haines Borough.

Petition for Consolidation

It is true that only minimal changes in service delivery are proposed in the Petition. What is being achieved is the elimination of a duplicative governmental unit and tax-levying jurisdictions.

Everyone who resides both inside and outside the current City limits call "Haines" their home and will have more reason to do so after consolidation.

Transition Costs

The costs of transition should not be substantial and could be offset by possible Legislative assistance. The City and Borough could jointly obtain the services of a consultant to investigate transitional costs further if it is a major concern of the Borough.

City Finances

The City of Haines has an annual audit of its finances. While every government has its challenges (as the Borough has found out with their own tax software), the City of Haines is meeting those challenges and has met all accounting standards required. The City's General Fund Balance as of completion of the June 30, 2000 audit, was \$1,971,639. The City's financial position is sound. The Borough is misguided in its impression of their "resources" being used to pay down City debt. Under the proposed Charter, use of the permanent fund for City debt would not be allowed. In fact, the Borough's permanent fund is better protected under the Proposed Charter than it is now.

Consolidation vs. Unification

Unification has been voted on and failed by a much larger margin than the consolidation effort in 1998. After the 1998 election, the Borough attempted to satisfy the argument of an "elected" vs. "appointed" charter commission. After extensive advertising, only one (1) citizen was willing to get the required signatures and volunteer to run for an elected charter commission. This amply demonstrates the lack of need or real desire for an elected charter commission.

The Borough wishes to bestow on the rural residents the status of "special-voter". With almost 75% of the Borough residents living inside the City limits, the Borough wants to allow the voters outside the City to be on an equal status as the combined numbers within the City. This would give the voters outside the City 3 votes for every 1 vote of the Borough residents within the City limits. That would be unconstitutional.

Service Areas

The Borough is correct in its note that the Riverview Drive Road Maintenance Service Area was omitted from exhibit J (though it was included in other sections) of the petition and should continue to exist after consolidation. It is also true that four (4) governmental units (service areas) will be streamlined into the one (1) new consolidated government. This is yet another example of the benefits of consolidation.

Constitutional Standards

It is clear and should have no misinterpretation as implied in the Borough's dissertation. The purpose as stated is to provide for the maximum local self-government with a minimum of local government units. It will also prevent duplication of tax-levying jurisdictions.

While we appreciate the Borough's lecture to the State "that a third class borough has more to offer to cities and the unorganized areas of the state than the current options allowed by the state", we feel that, even if true, there comes a time where such a classification can be "outgrown" and efficiencies achieved through consolidation. In addition, Borough voters themselves expressed their dissatisfaction with the Third Class Borough in October of 1998. When asked if they preferred the Third Class Borough as the form of government, the majority said no.

The Borough's selective memory fails on the argument for "the combination of the school board and assembly". While the Borough's brief champions such a benefit, the voters, by a substantial margin, voted against a combined school board/assembly when asked at the ballot box in June of 1990 and then again by a margin of over two to one in 1997.

Staffing

Consolidation offers the potential to effect long-term savings and general improvements in overall government efficiency. The lack of administrative depth in a small community becomes an issue of cost effectiveness and efficiency. The Borough's operations appear to suffer from the lack of centralized administrative support. That is evidenced here by the Borough's Assessor/Land Manager having to prepare the Borough's brief at the expense of his own responsibilities.

Tax Revenue

Taxes collected will benefit those from whom they are collected.

Apportionment of Assembly & School Board

If Haines is ever to truly become one community, then the community must act, think and vote as one community. The City feels this system is the best to achieve the long-term sense of community. The Borough Assembly itself must change its composition now that the census is complete. If the Borough wishes to put the issue to the voters as an amendment to the Charter, the City will not object.

Public Comment

The City publicized every meeting regarding the proposed consolidation effort. The first two meetings were joint meetings of the City Council and Borough Assembly. No more than three (3) Borough representatives ever attended those meetings. Those in attendance supported consolidation at that time. The Borough then refused to attend the last 2 meetings, ostensibly because they were upset with a totally separate administrative issue. This left many Borough residents without direct representation. The City recognized this neglect on the Borough's part and allowed the residents who lived outside the City limits all the time they wished for comment.

Summary

The Consolidation petition is virtually identical to the one the Borough jointly filed in 1998. While both governments serve an overwhelming majority of the same people (the borough serves 100% of the citizens within the Haines Borough and the City of Haines serves more than 72% of those same people), the two governments have significant conflicts. As noted by the Borough, there are dual systems of labor agreements, codes of ordinances, purchasing systems, etc. A local government needs only one (1) mayor, one (1) legislative, policy making body, one (1) municipal clerk, one (1) planning commission, etc. This long-standing and growing conflict is one of the strongest arguments for consolidation.

RESPECTFULLY SUBMITTED, this 12th day of April, 2001

CITY OF HAINES

Donald E. Otis, Mayor

CITY OF HAINES' REPLY TO INDIVIDUAL COMMENTS FILED REGARDING THE PROPOSED CONSOLIDATION

The Petitioner will reply to the 10 letters filed with the Local Boundary Commission. We will not repeat each claim, but respond accordingly.

Louis Nelson

Mr. Nelson fears “too much more big government”. To the contrary, this petition will streamline many governmental functions and eliminate some units altogether. The consolidated government will also separate the school board from the legislative body. This could improve responsiveness regarding his desire to see more music teachers in the schools.

Robert and Margaret Andrews

The petition is unilateral. The law allows for the Borough **or** the City **or** any citizen to prepare and file such a petition. Benefits to the newly annexed residents of the city are apparent. Many citizens have come forward and asked for land use planning and zoning changes for their neighborhoods. Each request has been incorporated into the new comprehensive plan and rezoning just completed. The City has also paid for snow removal on many roads and has developed a plan to assist those residents in upgrading their roads so that the City can incorporate them into the City's road system. One neighborhood has done just that and the City has taken full responsibility for that road. The Charter for consolidation that will be voted on in October of 2001 will be the culmination of over 3 years of public discourse and debate.

Laurie Dadourian

The manner in which the petition was submitted is fully compliant with the guidelines set forth in the law.

Gene Kennedy

The minor changes will hopefully address some of the concerns, which caused the charter to fail the first time. Haines has at one time or another voted down every form of government ever created in Alaska – that was the reason for the creation of the third class Borough. Taxes will only be raised for services rendered.

Margaret Piggott

Borough residents will not be charged for services they do not receive. Land use and planning will be done at the request of the residents – not the government. Areas not currently zoned will be classified as “General Use” and continue as they currently are until such a time as the neighborhoods develop and request zoning changes.

Ron Weishahn

Mr. Weishahn admits to being opposed regardless of steps taken to appease his concerns. He too believes that the consolidation should be a “merger of equals”, giving outside the city residents the equivalent of 3 votes for every one vote within the city. This sentiment is indicative of many who live in the outlying areas. Obviously these demands cannot be met under the Constitution.

Richmond W. Tolles

The planning and debate for consolidation has taken place in the public arena for the last 3 years. Nothing in the current proposal would allow the use of Borough assets to “clear up City debt”. The contrary is detailed in the response to the Borough’s brief.

Scott Carey

We appreciate his acknowledgement of “some advantages to combining the two governments in Haines”. On the first submittal of the Charter in 1998 there was considerable public debate during the process. In the years since, there has been much public discourse on the subject. For this current submittal, there has been very little changed and proportionally have received the same percentage in public comment. What was important was the opportunity for public comment, which was adequate. Again the Borough Assembly was to be his advocate at the joint sessions, but they never attended.

There seems to be a perception that the Borough’s \$6 million permanent fund belongs only to the 28% of the voters outside of the City limits. Not only does it belong to ALL residents equally, it is better protected FROM government under the proposed charter.

Though he too wishes for a combined school board and Assembly, the voters rejected that idea. And while the third class Borough is SUPPOSED to only tax for education, our current government has outgrown that limitation and reached beyond that mandate many years ago. The other concerns are addressed in previous replies.

Mike Ward

We are not sure if the letter was sent in by Mr. Ward or clipped out of the local newspaper by the Borough's Assessor/Land Manager and faxed in.

Annexation concerns have already been addressed. The proposal cannot be forced on people – it has to be voted on. The City did not pay an attorney \$150 to prepare the brief. The water and sewer in Haines is an enterprise fund and must pay its debts through the sale of its own services.

The Haines Sanitation lawsuit has been a significant factor in the deteriorating state of relations between the City and the Borough. It is indicative of the type of situations we find ourselves in, which are perhaps the strongest arguments **for** consolidation.

Carolyn Weishahn

The City gains no more access to Borough assets than the Borough gains of the City. It will all belong to the entire community with taxes collected from residents who receive the services for which the taxes were collected.

If voting districts are the wishes of the majority of the citizens, then the Borough Assembly can amend the Charter. That is another benefit of consolidation. The charter can be amended as needed.

The status quo is perhaps the most harmful scenario for Haines. The cost of lost opportunity and inefficiency has been enormous.

RESPECTFULLY SUBMITTED, this 12th day of April, 2001

CITY OF HAINES

Donald E. Otis, Mayor